




TO: Chief Elected Officials  
WIB Chairs  
WIB Directors  
Fiscal Agents

FROM: Ronald L. Stiver   
Commissioner

DATE: May 13, 2005

SUBJ: DWD Commissioner's Directive: 2004-40  
Final Program Year 2005 Workforce Investment Act Formula  
Allocations

RE: Workforce Investment Act

### Purpose

To provide the Program Year 2005 (PY'05) Workforce Investment Act (WIA) Title I-B Adult, Dislocated Worker and Youth formula allocations. The program year runs from July 1, 2005 through June 30, 2006. Important facts with the PY'05 allocations are provided.

- Allotments to the States are based on the funds appropriated in the Consolidated Appropriations Act, 2005, Public Law 108-477, December 8, 2004. This appropriation requires an across-the-board reduction of 0.80 percent to all Fiscal Year (FY) 2005 (October 1, 2003 – September 30, 2004) discretionary programs, including FY 2005 advance funds for the WIA Adults and Dislocated Worker programs appropriated in the FY 2004 appropriation.
- Indiana's share of the reduction is \$86,807 for adults and \$101,103 for dislocated workers for a total of \$187,910. **NOTE: DWD absorbed both reductions; therefore, there are no reductions in the allocations to the WIBs.**
- States must have an approved WIA Title 1 and Wagner-Peyser 2-Year Strategic State Plan (formerly the 5-Year Strategic State Plan) to receive PY'05 WIA State allotments.

## **Rescission**

DWD Commissioner's Directive: 2003-35, dated May 17, 2004, and entitled *Final Program Year 2004 Workforce Investment Act Formula Allocations*.

## **Content**

The Department of Workforce Development (DWD) is announcing the PY'05 WIA formula allocations for adults, dislocated workers, and youth. Information concerning the adult, dislocated worker and youth state allotments and formula allocations follow:

### Adult

The national adult WIA appropriation is \$896,618,144. Indiana's allotment is \$15,082,094. This is an increase of \$1,382,959 or 10.10 percent from PY'04. Of the funding available for adults, not more than 15 percent may be reserved for statewide activities. Mandatory statewide employment and training activities include:

- ◆ Disseminating the list of eligible training providers for adults and dislocated workers, information identifying on-the-job training and customized training providers, and performance and program cost of such providers;
- ◆ Publishing a list of youth providers;
- ◆ Conducting evaluations of activities;
- ◆ Providing incentive grants;
- ◆ Providing technical assistance to local areas for failing standards;
- ◆ Assisting in the establishment and operation of the one-stop system;
- ◆ Providing additional assistance to local areas with high concentrations of youth; and
- ◆ Operating a fiscal and management accountability information system. (Section 134(a)(2)(B))

The State followed Section 133 (b)(2)(A)(i) of WIA in formula allocating funding for adult activities to each chief elected official. Final adult formula allocations are provided in the attachment. The following data were used in computing the allotments:

- The number of unemployed for Areas of Substantial Unemployment (ASUs) are averages for the 12-month period, July 2003 through preliminary June 2004;
- The number of excess unemployed individuals or the ASU excess (depending on which is higher) are averages for the same 12-month period used for ASU unemployed data; and
- The numbers of economically disadvantaged adult data (age 22 to 72, excluding college students and military) are from the 2000 Census.



Also, the State applied the hold harmless provision contained in Section 133(b)(2)(A)(ii.) The hold harmless provision guarantees a local area will not receive an allocation percentage for a fiscal year that is less than 90 percent of the average allocation percentage of the local area for the two preceding fiscal years.

The following are important facts concerning the WIA Adult allocation:

- The allocations should be available for obligation beginning July 1, 2005. (20 CFR 667.100)
- WIA adult cost limitations are allocation-based. (State policy)
- Funds must be a minimum of 80 percent obligated at the end of the program year in which the funds were formula allocated – June 30, 2006 for PY'05 WIA allocations. (WIA Section 133(c))
- Funds must be 100 percent expended by the end of the program year succeeding the program year in which the funds were formula allocated or be returned to the State – June 30, 2007 for PY'05 WIA allocations. (20 CFR Part 667.107(b)(2))
- Local administration is limited to a maximum of 10 percent. (Section 128(b)(4) and 20 CFR Part 667.210)
- A WIB may transfer up to 30 percent of the PY'05 adult allocation and up to 30 percent of the PY'05 dislocated worker allocation between the two programs. The Governor's approval must be provided before making any such transfer. WIBs can not transfer funds to or from the WIA youth program. (Section 133(b)(4) and 20 CFR Part 667.410)

#### Dislocated Worker

The national dislocated worker appropriation is \$1,476,063,648. Indiana received an allotment of \$20,716,584, an increase of \$3,157,824 or 17.98 percent from the PY'04 allotment.

Of the funding available for dislocated workers, not more than 25 percent may be reserved for statewide rapid response activities and not more than 15 percent may be reserved for statewide activities. Mandatory rapid response activities include:

- ◆ Providing rapid response activities in local areas by the State or an entity designated by the State, in coordination with the local boards and chief elected officials in the local area; and
- ◆ Providing additional assistance in local areas that experience disasters, mass layoffs or plant closings, or other events that increase the numbers of unemployed individuals, carried out by the State or an entity designated by the State, in coordination with the local boards and chief elected officials in the local areas. (Section 134(a)(2)(A))



The State followed Section 133(b)(2)(B) of WIA in allocating funds for activities for dislocated workers to each chief elected official. Final dislocated worker allocations are provided in the attachment. The legislation mandates the factors that must be used in the local formula, but permits States' discretion in determining data sources and weights assigned each factor. Local input on the dislocated worker allocation formula was obtained through a workgroup convened to provide recommendations on the dislocated worker program in Indiana. The following data were used in computing the allotments:

#### **Data Used to Compute PY'05 WIA Dislocated Worker Allocations**

<b>Allocation Factor</b>	<b>Data Source &amp; Time Period</b>	<b>Weight</b>
Insured Unemployment Data	Annual report of unemployment compensation claimants – unemployment insurance data for Calendar Year 2004	30%
Unemployment Concentration Data	Labor force for counties report – labor market information for Program Year 2003	30%
Plant Closing & Mass Layoff Data	Plant closure/mass layoff report – WARN Notices for Calendar Year 2004	15%
Declining Industries Data	County employment patterns report – labor market information for Calendar Year 2003	10%
Farmer/Rancher Economic Hardship Data	Census of Agriculture – county data for Calendar Year 2002	5%
Long-term Unemployment Data	Annual report of unemployment compensation claimants with 15 or more weeks claimed – unemployment insurance data for Calendar Year 2004	10%

Reallotment of dislocated worker funds to States, as provided for by Section 132(c) of WIA, is based on completed state financial reports as of the end of the prior program year. DOL will be using data from Indiana's financial report to adjust DWD's dislocated workers allotment upward or downward, based on whether Indiana is eligible to share in reallotted funds or is subject to recapture of funds. Revised allocations will be published once Indiana's dislocated worker allotment reflecting the adjustment is known.

WIA Section 173(e) provides that up to \$15 million from Dislocated Workers' reserve funds is to be made available annually to certain states that receive less funds under the WIA Adult formula than they would have received had the Job Training Partnership Act Adult (JTPA) formula been in effect. The amount of the grants is based on the difference between the WIA and JTPA formula allotments; funds are available for grants for up to eight states with the largest difference. The additional funding must be used for Adult or Dislocated Worker Activities. In PY'05, two states are eligible for these additional funds - Colorado and Massachusetts.

The following are important facts concerning the WIA Dislocated Worker allocation:



- The PY'05 allocation should be available for obligation beginning July 1, 2005. (20 CFR Part 667.100)
- WIA dislocated worker cost limitations are allocation-based. (State policy)
- Funds must be a minimum of 80 percent obligated at the end of the program year in which the funds were formula allocated – June 30, 2006 for PY'05 WIA allocations. (WIA Section 133(c))
- Funds must be 100 percent expended by the end of the program year succeeding the program year in which the funds were formula allocated or be returned to the State – June 30, 2007 for PY'05 WIA allocations. (20 CFR Part 667.107(b)(2))
- Local administration is limited to a maximum of 10 percent. (Section 128(b)(4) and 20 CFR Part 667.210)
- A WIB may transfer up to 30 percent of the PY'05 adult allocation and up to 30 percent of the PY'05 dislocated worker allocation between the two programs. The Governor's approval must be provided before making any such transfer. WIBs can not transfer funds to or from the WIA youth program. (Section 133(b)(4) and 20 CFR 667.410)

#### Youth

The national youth WIA appropriation is \$986,288,064. Indiana's allotment is \$17,672,429, an increase of \$1,401,128 or 8.61 percent from PY'04.

Of the funding available for youth, not more than 15 percent may be reserved for statewide activities. Please see the Adult section of this communication document for the mandatory use of the 15 percent reserved for statewide activities. The State followed Section 128(b)(2)(A)(i) of WIA in formula allocating funding for youth activities to each chief elected official. Final youth allocations are provided in the attachment. The following data were used in computing the allocations:

- The number of unemployed for Areas of Substantial Unemployment (ASUs) are averages for the 12-month period, July 2003 through preliminary June 2004;
- The number of excess unemployed individuals or the ASU excess (depending on which is higher) are averages for the same 12-month period used for ASU unemployed data; and
- The number of economically disadvantaged youth (age 16 to 21, excluding college students and military) are from the 2000 Census.

Also, the hold harmless provision contained in Section 128(b)(2)(A)(ii) was enacted. The hold harmless provision guarantees a local area will not receive an allocation percentage for a fiscal year that is less than 90 percent of the average allocation percentage of the local area for the two preceding fiscal years.

The following are important facts concerning the WIA Youth allocation:

- Allocations should be available for obligation beginning July 1, 2005. (20 CFR Part 667.100)
- Cost limitations for WIA youth allocations are allocation based. (State policy)
- Funds must be a minimum of 80 percent obligated at the end of the program year in which the funds were formula allocated – June 30, 2006 for PY'05 WIA allocations. (WIA Section 128(c))
- Funds must be 100 percent expended by the end of the program year succeeding the program year in which the funds were formula allocated or be returned to the State – June 30, 2007 for PY'05 WIA allocations. (20 CFR Part 667.107(b)(2))
- Local administration is limited to a maximum of 10 percent. (Section 128(b)(4) and 20 CFR Part 667.210)
- WIBs can not transfer funds to or from the WIA youth program. (Section 133(b)(4) and 20 CFR Part 667.410)
- Not less than 30 percent must be expended on services to out-of-school youth. (Section 129(c)(4))

A grant package will be mailed to the WIB Director in the near future.

Questions concerning the allocations may be addressed to William Miller, Director, WIA Administration, at 317/233-4010, or by email at [wmiller@dwd.state.in.us](mailto:wmiller@dwd.state.in.us). Questions concerning the grants may be addressed to Virginia Harrold, Supervisor, Grant and Contract Support, at 317/233-7373, or by email at [vharrold@dwd.state.in.us](mailto:vharrold@dwd.state.in.us).

**Effective Date**

July 1, 2005.

**Ending Date**

June 30, 2006.

**Ownership**

WIA Administration has ownership of this policy.

**Action**

Local administrators are instructed to distribute the information contained in this policy to appropriate staff.



# Indiana PY2004 and PY2005 WIA Allocations

2004-40 attach A.xls

W.S.A.	Adult			Youth			Dislocated Worker			Total Allocation		
	PY2004	PY2005	% Change	PY2004	PY2005	% Change	PY2004*	PY2005	% Change	PY2004	PY2005	% Change
Northwest Indiana	\$1,906,279	\$1,948,736	102.2%	\$2,272,705	\$2,292,244	100.9%	\$854,554	\$1,043,930	122.2%	\$ 5,033,538	\$ 5,284,910	105.0%
C.W.I.	\$679,185	\$699,867	103.0%	\$810,633	\$819,810	101.1%	\$994,725	\$ 610,579	61.4%	\$ 2,484,543	\$ 2,130,256	85.7%
Northern Indiana	\$868,758	\$874,515	100.7%	\$1,063,564	\$1,056,482	99.3%	\$901,299	\$1,078,604	119.7%	\$ 2,833,621	\$ 3,009,601	106.2%
Northeast Indiana <sup>#</sup>	\$1,055,531	\$1,678,609	159.0%	\$1,202,651	\$1,962,839	163.2%	\$1,123,758	\$1,790,687	159.3%	\$ 3,381,940	\$ 5,432,135	160.6%
Tecumseh Area Partnership	\$407,080	\$447,517	109.9%	\$513,765	\$555,561	108.1%	\$477,259	\$ 499,302	104.6%	\$ 1,398,104	\$ 1,502,380	107.5%
North Central	\$495,175	\$636,886	128.6%	\$590,182	\$722,830	122.5%	\$498,237	\$ 556,006	111.6%	\$ 1,583,594	\$ 1,915,722	121.0%
Madison-Grant	\$558,411	\$0	0.0%	\$698,586	\$0	0.0%	\$524,400	\$ -	0.0%	\$ 1,781,397	\$ -	0.0%
East Central	\$605,550	\$637,483	105.3%	\$851,685	\$891,209	104.6%	\$432,025	\$ 661,424	153.1%	\$ 1,889,260	\$ 2,190,116	115.9%
Western Indiana	\$455,998	\$469,016	102.9%	\$543,927	\$636,227	117.0%	\$330,670	\$ 482,274	145.8%	\$ 1,330,595	\$ 1,587,517	119.3%
Circle Seven <sup>#</sup>	\$234,245	\$630,454	269.1%	\$236,748	\$667,307	281.9%	\$735,846	\$1,253,777	170.4%	\$ 1,206,839	\$ 2,551,538	211.4%
Marion County	\$2,189,314	\$2,449,042	111.9%	\$2,536,138	\$2,783,299	109.7%	\$1,610,669	\$1,748,703	108.6%	\$ 6,336,121	\$ 6,981,044	110.2%
Southeastern	\$456,621	\$548,923	120.2%	\$535,070	\$619,318	115.7%	\$506,576	\$ 618,702	122.1%	\$ 1,498,267	\$ 1,786,943	119.3%
Shawnee Trace	\$540,880	\$552,267	102.1%	\$600,864	\$603,138	100.4%	\$401,192	\$ 540,934	134.8%	\$ 1,542,936	\$ 1,696,339	109.9%
South Central Indiana	\$299,461	\$315,994	105.5%	\$356,155	\$368,759	103.5%	\$411,851	\$ 587,356	142.6%	\$ 1,067,467	\$ 1,272,109	119.2%
Southwest Indiana	\$516,128	\$532,455	103.2%	\$591,464	\$602,532	101.9%	\$390,784	\$ 518,661	132.7%	\$ 1,498,376	\$ 1,653,648	110.4%
Southern Seven	\$375,649	\$398,016	106.0%	\$426,470	\$440,010	103.2%	\$341,411	\$ 439,011	128.6%	\$ 1,143,530	\$ 1,277,037	111.7%
<b>TOTAL:</b>	<b>\$ 11,644,265</b>	<b>\$ 12,819,780</b>	<b>110.1%</b>	<b>\$ 13,830,607</b>	<b>\$15,021,565</b>	<b>108.6%</b>	<b>\$ 10,535,256</b>	<b>\$ 12,429,950</b>	<b>118.0%</b>	<b>\$ 36,010,128</b>	<b>\$ 40,271,295</b>	<b>111.8%</b>

\* Dislocated Worker funding for PY2004 does not include the \$41,550 in recaptured and reallocated PY2003 funding that Indiana distributed among the WIBs at the same time.

<sup>#</sup> PY2005 allocations for the Northeast Indiana WIB include money for Grant County. Likewise, PY2005 allocations for Circle 7 include money for Madison County.